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MANPOWER ADMINISTRATION

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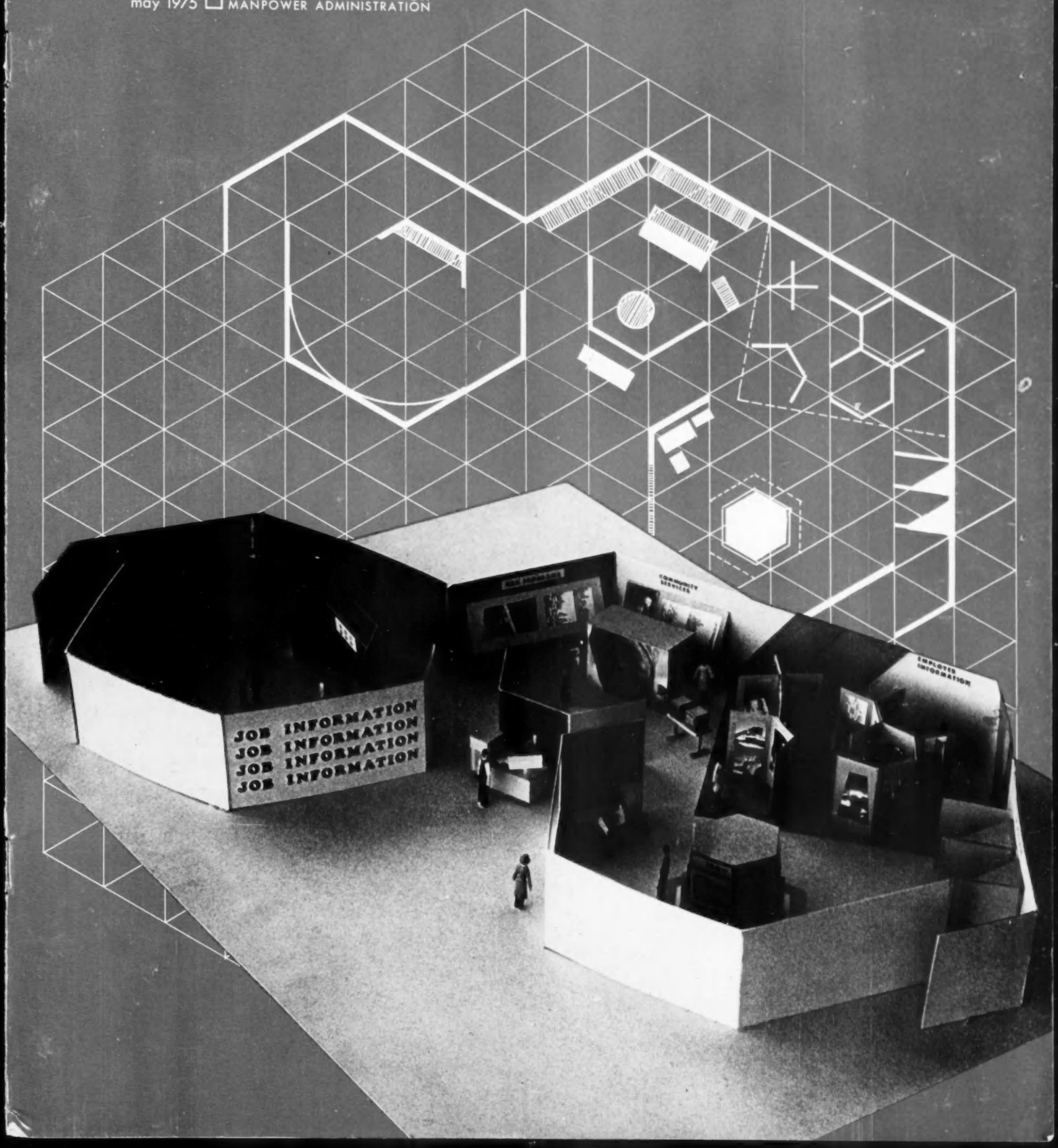

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"I want to contribute as much as I can because I want other people to have the same chance to work that LSW has given me." —Page 32

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". . . lessons learned by Project Volunteer Power . . . are all rooted in the firm belief that the desire to join forces to help others, as expressed through voluntary effort, is alive and well. . . ."—Page 11

"An attractive environment encourages both staff and clients to deal with one another in a productive, civilized way."—Page 16

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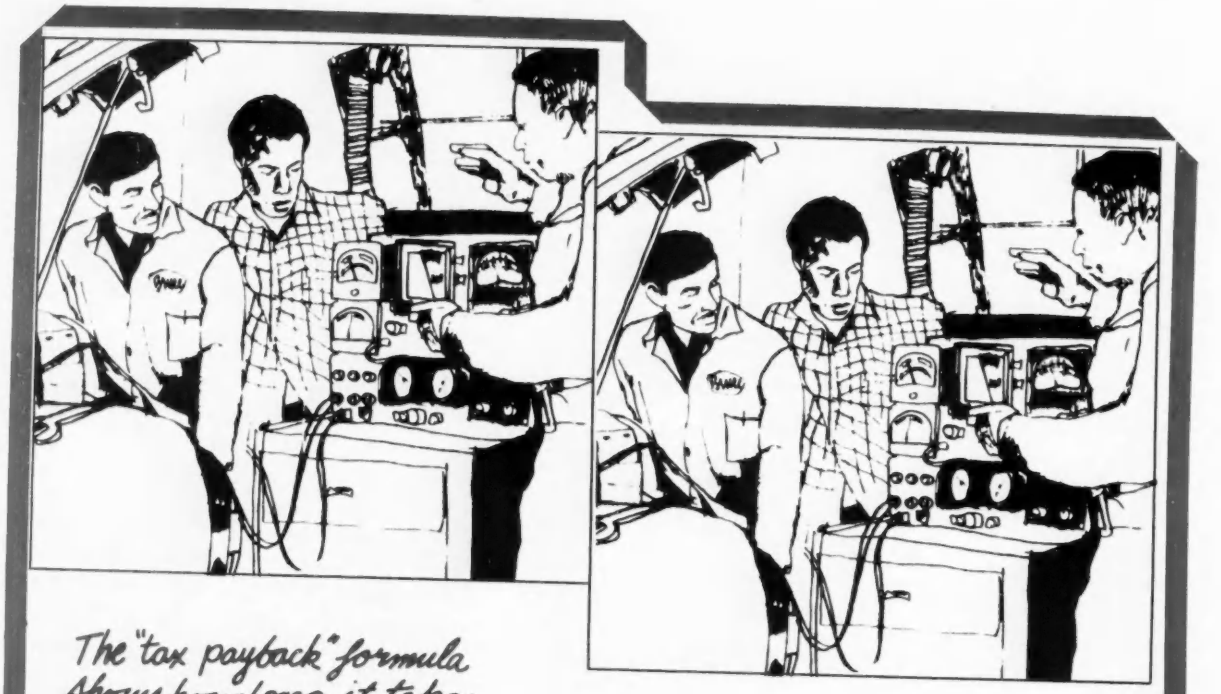


The "tax payback" formula shows how long it takes a trainee to repay the cost of training through increased taxes.

And the "earnback" method shows how long it takes a trainee to earn the cost of his or her training after leaving the program.

Let's use both methods!

PROGRAM EVALUATION: Any Prime Sponsor Can

by R. C. Smith

Simple, Inexpensive Program Evaluation Can Yield Valuable Dividends

Evaluation of manpower programs has been described, somewhat unfairly, in terms of Mark Twain's comment about the weather—everybody talks about it, but nobody does anything about it. Many people *could* do something about it, however, for modest program evaluation is within the grasp of any CETA prime sponsor with persistence, patience, and the willingness to live with the limitations of a craft still in its infancy.

Exactly what is evaluation? The Manpower Administration's Program Assessment Guide (PAG) defines it as "the measuring of effectiveness and impact of program results in terms of participants, program activities, and the community." This distinguishes evaluation from assessment, which is properly defined as review of performance against planned goals and objectives.

Many manpower program administrators confuse the two terms and describe assessment as evaluation. The program that explains its accomplishments in terms of "x" number of clients recruited and "y" number placed at an average salary of "z" dollars per hour is assessing itself against certain performance objectives established either consciously or unconsciously. By contrast, evaluation would provide a measurement of the program's "effectiveness" or "impact" on participants or on the society in which they function.

There are a number of ways of getting this type of measurement. The North Carolina Manpower Development Corporation (MDC) recently experimented with two methods of program evaluation and found strengths and weaknesses in each.

The MDC undertook its research at the request of the North Carolina State Board of Higher Education, which wanted an evaluation tool that could be used in allocating manpower program funds to the 60 community colleges and technical institutes in the State. To develop such a tool, the MDC attempted to measure the impact of a job preparedness program being conducted in six North Carolina community colleges. Evaluation was based on records of 861 trainees—both dropouts and program completers—who took part in the 8-week program over a 21-month period in 1972 and 1973.

The aim of the program was sharply defined: To provide the job preparedness training hard-to-employ individuals needed to get a job, stay employed, and progress economically. It seemed to MDC, then, that it would be fair to evaluate the program strictly on a dollars-and-cents basis by comparing trainees' income before and after training.

> *Program "evaluation" is not the same as program "assessment."*

To make such a comparison meaningful, MDC collected information about the trainees' total income for the year preceding entry into the program. The data revealed that the average trainee, although unemployed upon entering the program, had worked 25 weeks during the preceding year and had earned $1,112 to contribute to a poverty-level family income. Some 16 percent of the trainees, the majority of whom were black and female, were receiving welfare, food stamps, surplus food, or other forms of public assistance at the time they entered the program.

Few manpower programs collect extensive pretraining data, but information about income for a considerable period prior to training is crucial to evaluation efforts. It is not sufficient to know that a trainee was unemployed upon entry or that he or she earned a certain amount when last employed. These situations could have existed for only a few weeks or months and thus would not offer a sound basis for comparison with posttraining income.

MDC gathered posttraining income information by conducting 1-, 6-, and 12-month followup surveys of both program completers and—to whatever extent possible—dropouts. Since trainees were continuously entering and leaving the program during the 21-month evaluation effort, however, time did not permit three followup surveys for each trainee. On the average, the data collected showed earnings 6 months after training, and MDC used this information to project earnings for 1 year. Sound evaluation requires income data for at least a year after training, since participants' earnings at the time of placement reflect only the program's initial impact.

The followup data revealed that the pretraining average annual income of $1,112 had risen to $2,553. This increase occurred despite the estimate of "zero" income for 45 percent of the participants—those who were unemployed and those who could not be located.

The other essential ingredient in MDC's evaluation effort was a computation of program costs. Evaluations that do not take cost into account may be misleading. The conclusion that one manpower program's impact on trainees was three times that of another, for example, is complete only when accompanied by observations about the costs of each program.

R. C. Smith is director of planning for the North Carolina Manpower Development Corporation.

PROGRAM EVALUATION

Information supplied by the six schools offering job preparedness training showed average program costs of $677 per trainee. This amount included the cost of administering the program at the participating community colleges and stipends paid during training to defray trainees' expenses. Overhead expenses for items like heating and rent were not included because all programs were conducted in facilities already in use, but such costs would figure importantly in evaluations of programs providing space from the ground up.

Armed with program costs and pre- and posttraining income data, MDC began to envision different ways of determining the effects of the job preparedness program. The PAG definition of evaluation suggested two alternatives: measuring impact on "participants," and measuring impact on the "community."

While there may be more sophisticated ways to measure the impact of manpower programs on the "community" at large, MDC chose to quantify program impact in terms of increased taxes paid back by participants after training. This "tax payback" method was adopted on the basis of the following hypothesis:

- A successful manpower program trains people who earn more money after training than they did before training.
- Earning more money, manpower program graduates will pay more taxes.
- Therefore, participants of programs justifiable on this basis will pay increased taxes that will, at some point in the future, compensate for the cost of the program.

With the pre- and posttraining incomes established, it was simple to esimate Federal and State income taxes and State sales taxes by using standard tax tables. Public assistance—welfare payments, and food stamps, for example—was treated as a negative tax and subtracted from pre- and posttraining tax payments.

The average program participant paid $176 in taxes in the year before training but received about $247 in public assistance. This produced an average tax payment deficit of $71. After training, the average participant—again taking into account the unemployed as well as the employed—was paying $432 in taxes and receiving only $155 in public assistance for a net payment of $277. The total difference is the sum of $277 and $71, or $348.

Dividing the program costs per trainee by the difference in annual pretraining and posttraining taxes produces the number of years needed for trainees to pay back the costs of training in taxes. In the case of the North Carolina job preparedness programs, participants repaid program costs in 1.9 years. The accompanying box shows this formula mathematically.

A major limitation of the tax payback method of evaluating a program's impact on the community is that it views government programs in terms of "profits" gained through taxes. A social program providing important benefits to participants should not be discarded simply because it is slow to repay the taxpayers' "investment" or because it will never repay that investment. Focusing on tax dollars and cents ignores larger issues of benefits to individuals and to the community. For this reason, evaluation in terms of tax paybacks is somewhat unsatisfying.

Moreover, it is not certain that the increased taxes paid by program participants are a direct result of manpower training. Participants may have been

The "earnback" formula
costs per trainee: $677
difference in income before and after training: $1533.
= .44 years to earn the cost of training.

able to boost their incomes—and thus their taxes—even without the training program.

On the other hand, legislators in the North Carolina General Assembly, which has provided $3.5 million in support funds for the job preparedness programs, were impressed with the tax payback evaluation. The legislators were pleased that a federally initiated manpower program—the type of program that they tend to view negatively—had been evaluated in terms of costs to the taxpayer. Given that the taxpayer is the legislative constituency and, as such, matters dearly to those who hold public office, tax payback evaluation may be a good way to provide legislators with useful perspectives on manpower training programs.

Besides using the tax payback evaluation formula, MDC measured the impact of the job preparedness programs on the trainee's earning power. The objective was to find out how long it took the average trainee to earn back the cost of his training in increased income.

The "earnback" method is simple: The cost per trainee is divided by the difference in pre- and posttraining income. MDC treated public assistance payments as negative income both before and after training, but it can be argued that public assistance payments should not be considered in evaluating programs concerned with trainees' ability to *earn*.

Dividing $677, the average cost per trainee, by $1,533, the difference between pre- and posttraining annual average incomes, MDC found that it took .44 of 1 year, or approximately 5 months, for trainees to meet the cost of their training through increased income.

MDC considers the earnback formula a better choice than the tax payback formula for the purpose of comparing programs. Among the six schools offering the job preparedness training, institutions choosing single rather than married participants showed up better under the tax payback formula because single individuals paid taxes on their increased earnings while married trainees with dependency exemptions did not. Such results could prompt program administrators who want their programs to look good in evaluation comparisons to favor single trainees over those who are married.

The
"tax payback" formula
costs per trainee: $677
difference in annual taxes before and after training: $348.
= 1.94 years to repay training costs through taxes.

MDC officials did not wish to encourage this kind of bias. They did, however, hope evaluation results would offer participating institutions incentive to do those things generally accepted as distinguishing "successful" training programs from "unsuccessful" ones. Such actions include:

- recruiting the most needy,
- including as many welfare recipients as possible,
- training and providing services at the lowest possible cost,
- keeping dropouts to a minimum,
- placing as many trainees as possible in the best paying jobs available,
- helping those placed in jobs to hold them.

MDC evaluators believe that the earnback formula provides these incentives more surely than does the tax payback method. Moreover, comparing earnback rates of similar programs can provide revealing glimpses of the way program components work—or fail to work. For instance, the MDC evaluations showed that one of the six community colleges with job preparedness training rated lower than the other institutions even though it had a larger number of enrollments and a better job placement record. A close look at the

statistics revealed that this school's dropout rate was twice that of the other institutions, and that few of those dropouts who could be located were holding jobs. The earnback formula thus penalized this community college for failing to hold the individuals being recruited for training. When the difficulty was brought into focus, the institution was able to pinpoint problems in assessing potential trainees and hiring key training personnel.

After analyzing both the tax payback and earnback evaluation methods, MDC recommended that the North Carolina State Board of Education use the latter in allocating manpower funds to colleges in the State. However, MDC posed a specific caution: The earnback formula does *not* indicate that one institution rating higher than another—one in which trainees earn the cost of training in 4 rather than 6 months, for example—is necessarily "doing a better job." The school with the higher rate *may* be doing a better job, or it may simply be located in a better employment market where it can place graduates in higher paying jobs. Within one area, however, the program which consistently scores better than other local programs under the earnback formula may demonstrate a *better potential for success.*

MDC's method of figuring the earnback rate contained several limitations. For example, economists have suggested that welfare payments and stipends should be considered transfer payments and eliminated from calculations of pre- and posttraining income, and that trainees' foregone income during the time of the program should be included as a training cost. These changes tend to cancel each other out when applied to the job preparedness program, but evaluators of programs with longer training periods—and correspondingly greater amounts of foregone income—may wish to adopt these recommendations.

A more serious shortcoming of the earnback formula as used at MDC is that it did not take into account the effect of inflation on pre- and posttraining incomes. At the time the computations were made, short-term inflation was not considered likely to skew results. In the present economic situation, however, adjusting dollar figures to take inflation into account—perhaps by using the Bureau of Labor Statistics' Consumer Price Index—appears advisable.

The "earnback" formula is simple and inexpensive but has limitations.

Other limitations in the earnback formula cannot be overcome so easily. As in the tax payback formula, for example, nothing in the before-and-after methodology "proves" that income gains experienced by trainees were the direct result of training. To test this, trainees' income levels should be compared with those of a control group of individuals whose social and economic characteristics are similar to those of the trainees but who do not take part in the program. While few CETA prime sponsors can afford the cost of selecting, questioning, and following up on members of a control group, manpower programs should be evaluated in this way on at least a limited, experimental basis.

When no control group is used, the earnback method of cost-benefit comparison is simple enough and inexpensive enough to be used by any prime sponsor. The forms required for keeping essential information are relatively simple, and followup costs can be minimized by gathering posttraining earnings data for a representative sample of trainees. When applied with knowledge of the method's limitations, earnback evaluations can provide valuable program comparisons.

On the other hand, prime sponsors and other officials should not use any evaluation technique as a substitute for the informed judgment of policymakers in planning, operating, and funding manpower programs. No evaluation system can tell policymakers what kinds of programs they "should" emphasize. The best evaluation can indicate only that, under certain fixed circumstances, cost-benefit aspects of given programs relate to each other in a specific way.

It may be, for example, that a State should put its greatest manpower investment precisely in locations where manpower programs show least impressive earnback results, because the areas with the fewest jobs—and thus the worst earnback records—are often the areas of deepest poverty. The earnback formula reveals only that a short-term training program is not the sole answer for such an area. (Combined with a relocation program, however, the same training could be very useful.)

Judiciously applied, then, evaluation can sharpen a planner's views of the realities about which program and policy decisions must ultimately be made. But human planners must always be prepared to pick up where evaluation measurements leave off. Good evaluation provides a firmer basis for making decisions, but it offers no surefire solution to complex manpower problems. □

Complete information about the MDC evaluation program—including copies of intake, exit, and followup forms—is available free from the North Carolina Manpower Development Corporation, Box 1057, Chapel Hill, N.C. 27514.

Volunteer Power for the Handicapped

by Timothy Larkin and Carl Sharek

Test Project Focuses Efforts On Employment Assistance

In his "declaration of love" for the United States, *God's Country and Mine*, French-born Jacques Barzun seeks to summarize the special strengths and weaknesses of his adopted country. Of the many features that distinguish American culture from that of other nations, Barzun felt none was more obvious than our impulse to join together, voluntarily, to extend a helping hand to those in need. Barzun sums up this national characteristic by pointing out, "There is an American Foundation for the Overseas Blind; we have yet to hear of a Foreign Foundation for the American Blind."

Too often, however, this concern for others, and the organizing ability that could translate concern into achievement, are not brought together. To test whether this gap might be bridged to bring greater assistance to the Nation's 12 million handicapped of working age, the Manpower Administration contracted in June 1971 to test a new approach to developing employment opportunities for the physically handicapped, the mentally retarded, and the mentally restored: Harnessing the resources of leading volunteer women's organizations at the local level, on a practical, planned basis.

This effort—Project Volunteer Power[1]—was proposed and nationally sponsored by the Women's Committee of the President's Committee on Employment of the Handicapped, whose membership includes the presidents of 26 leading national and international women's organizations representing approximately 30 million women as well as 25 leading women who have gained recognition for achievements in various fields.

To test the use of volunteer power, pilot programs were set up in three cities that differ in size, geographic location, and

Timothy Larkin is a contributing editor of MANPOWER; Carl Sharek was director of Project Volunteer Power.

[1] The full report, *Project Volunteer Power: Volunteers Serving the Job Needs of the Handicapped*, is available from the National Technical Information Service, 5285 Port Royal Rd., Springfield, Va. 22151 for $4.75 for a paper copy and $2.25 for microfiche (specify PB 237167/AS). Please enclose payment with order.

Volunteer Power

racial and ethnic makeup. To assure that the impact of volunteer efforts could be measured by placements, the selection criteria for the pilot cities included industrial makeup; current and potential employment for handicapped persons; public and private employment services; and medical, vocational, rehabilitation, and other training facilities. And to assure that a climate conducive to volunteer effort existed, the criteria also included the number of active women's organizations and the types of programs in which they were already involved, the spirit and attitudes of the community, existing city and State legislation affecting the handicapped, and the extent of recent civic efforts on behalf of the local handicapped.

The cities selected were Birmingham, Minneapolis, and Malden, Mass.

After the project gained the support and cooperation of the Governor's Committees on Employment of the Handicapped in each of the three States, the next step was to obtain the sponsorship of a local organization with a substantial interest in the employment of handicapped men and women in each of the communities. A different type of sponsoring group was sought in each city so comparisons could be made of various ways of gaining community support and project continuity.

A coordinator was selected in each of the cities to serve as liaison between the project director on the one hand and the local sponsoring agency and participating organizations and individuals on the other. The local coordinator was not salaried, but received reimbursement for out-of-pocket expenses plus an honorarium, together totaling no more than $300 a month.

Next, a survey was made of the handicapped population in each community to determine how best to channel the volunteer effort and what particular activities offered the greatest potential. Although the problems besetting handicapped people recognize no boundaries, those problems do differ in relative scope and severity from city to city. Solutions also vary, depending upon the size of the community, the nature of its economic base, the level of advancement of its social institutions, and the sensitivity of its populace. This diversity was welcomed by Project Volunteer Power and, indeed, was one of the basic elements sought in designing the experiment.

Each of the pilot cities was involved in a somewhat different mix of activities. In Birmingham, these included identification of the handicapped, job promotion, a campaign to eliminate barriers that impede the mobility of the handicapped, help to the homebound, and public education and involvement. In Minneapolis, emphasis was placed on developing jobseeking skills, encouraging job retention of those placed, reinstating clients in the vocational rehabilitation system, and promoting new job opportunities. Activities in Malden were generally like those in Birmingham, though with important differences in approach.

Project Offers Lessons for Other Areas

While there have been important gains for the handicapped in all of the pilot cities, including more than 500 job placements and a new consciousness about the problems the handicapped face and ongoing efforts to respond to them, perhaps the most significant outcome of the project is the lessons learned that are applicable to other communities, lessons that can help to bridge that gap between volunteer potential and unmet need. These lessons, whether they involve overcoming perceptual, organizational, or physical barriers, are important to the design of any program to provide practical assistance to the handicapped.

One of the initial lessons learned involved the scope of volunteer effort. Although the project was sponsored by the Women's Committee of the President's Committee on Employment of the Handicapped and originally was intended to

test the potential of volunteers from women's organizations, it became obvious almost immediately that a limitation on the basis of sex would be counterproductive. While volunteer efforts gain most of their "muscle" from the involvement of women, men's organizations and individual men also are interested in making a contribution.

It also became clear that any movement to assist all handicapped people must involve civic leadership and the professional community, including architects, engineers, personnel officers, transportation specialists, and the like. By the same token, the project found that the involvement of churches, schools, the business community, labor, veterans' organizations, associations of handicapped persons, and the information media was vital if optimum results were to be gained.

Hence, in each instance, the volunteer base was broadened. In Birmingham, an ongoing civic renewal effort added a committee to work with the handicapped; in Minneapolis, a dormant council on the handicapped was revitalized and expanded; and in Malden a new mayor's committee was established.

In working with various groups, the project discovered that those who seek to aid the handicapped are themselves often handicapped by a conflict of perceptions. While there is great interest in handicapped people and a readiness to invest time, energy, talent, and money to serve their needs, much of this concern stems from a "mental set" that views the handicapped in terms of sympathy. From this point of view, the handicapped are to be shielded, protected, comforted, and nourished, for they are afflicted. The concept of promoting jobs and putting the handicapped to work is at odds with this attitude. As a result, even some people who have been actively involved in helping the handicapped need educating on the potential of handicapped persons and their desire to be self-supporting and independent.

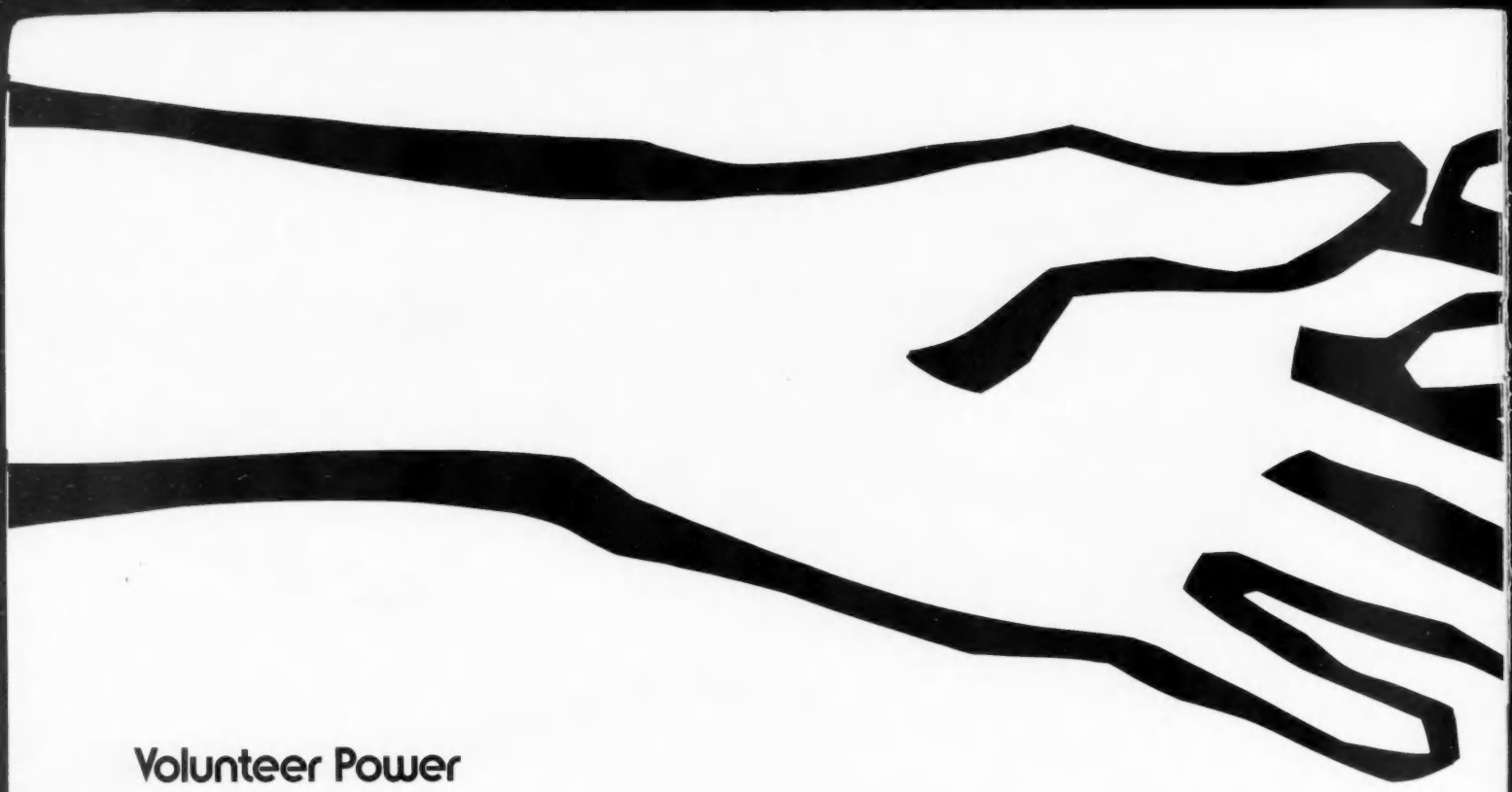
Although understanding, organization, and enthusiasm at the local level are vital, the project found that local committees will reach maximum effectiveness only by collaborating with an active, adequately staffed and funded State committee for employment of the handicapped. A constant flow of information and programing suggestions, as well as encouragement from above, is required to sustain local interest and initiative. The President's Committee on Employment of the Handicapped can and must be the source of much of this guidance and support. But State governments and institutions also must be involved.

Efforts Should Respond to Local Needs

Local committees should respond to the realities of local needs and accomplishments. There is little point in creating a large committee if much already has been accomplished or effective groups already are at work, or if the size of the community cannot support still another major volunteer program.

It is a disservice to local communities to suggest organizations and programs that exceed requirements and resources. It is far wiser to concentrate initial efforts and to start out with the most streamlined organization possible. For example, where the principal goal is to promote job opportunities and improve the potential of handicapped applicants to fill them, only three basic subcommittees are required: One concerned with changing public attitudes about the capabilities of the handicapped; one concentrating on the removal of physical barriers that impede the handicapped in getting to or doing a job; and a third focusing on finding openings and helping the handicapped compete for them.

Specific program activities are best carried out by task forces, with the function of each task force carefully planned. In this regard, it is vital to define goals clearly before volunteers are recruited. Only then will the volunteer know



exactly what commitment of time and energy is expected. And only then will the organization know what kinds of volunteers it needs and what special training may be necessary.

The creative use of volunteers is closely related to the effectiveness of their recruitment, orientation, and training. The volunteer must feel that the opportunity being offered is interesting and worthwhile. And, although volunteers do not get involved for personal gain, the natural human desire for recognition must be accommodated through awards programs and other means.

Handicapped Persons Should Participate

In all volunteer programs it is important that those being served also have the opportunity to participate in a volunteer capacity. This is especially true in programs for the handicapped. Handicapped men and women should be accorded a voice in program operation and policymaking. They can offer valuable insights into individual needs and the gaps in the operations of existing service agencies.

Since the term "handicapped" is defined and interpreted in many ways, local groups which depend on the President's and Governor's Committees for guidance and support should share a common definition with these organizations. Generally, the President's and Governor's Committees concentrate their efforts on helping the physically handicapped, the mentally retarded, and the mentally restored.

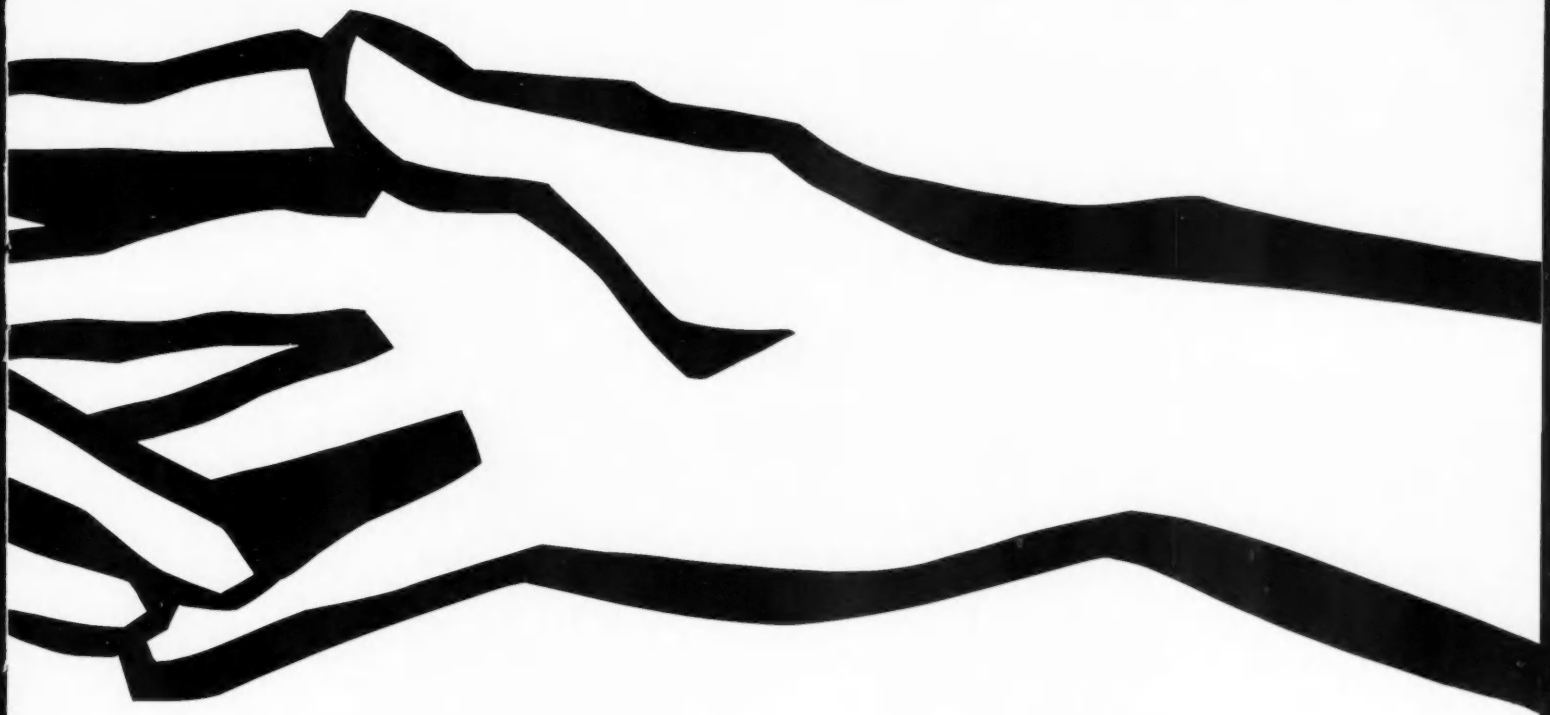
The question of definition is closely linked to the issue of whom to help. In deciding this issue, local groups should not overlook handicapped veterans. There is a tendency to feel that because veterans have special services available to them, their problems are being met adequately. But there remain many supplementary services that volunteers can perform for veterans. Moreover, employers who are sold on the advantages of hiring handicapped veterans will be more likely to hire other handicapped persons. The handicapped veteran thus can be an effective door opener for all handicapped jobseekers.

Once the term "handicapped" is defined, the next questions are: How many such handicapped persons reside in our community? Who are they? Where do they live? What are their needs? Unfortunately, a detailed survey of the handicapped is a major, complicated, time-consuming project. Hence, to a large degree, it is often necessary to rely on information compiled by organizations already dealing with the handicapped.

The local volunteer organization must establish close and harmonious relationships with the local office of the State employment service and with vocational rehabilitation facilities, as well as with other public and private institutions and groups involved with rehabilitation and job placement of the handicapped. Professionals in agencies serving the handicapped must be encouraged to view volunteers as contributors and not as competitors or, worse, usurpers of professional prerogatives. They must be convinced that the use of volunteers can enhance their own effectiveness and that volunteers can bring fresh and valuable insights to their programs.

It is also necessary to recognize that agency resistance to change and the suspicions of agency personnel will be overcome only with time and through proof of volunteer effectiveness. Any overreaching of relatively untrained volunteers into activities requiring professional competence serves to increase agency resistance to the use of volunteers in its operations.

When it comes to actually finding work opportunities for the handicapped, there is a temptation to conduct all-embracing job surveys—to list all available jobs toward which the handicapped might be directed. A local committee might be better advised to concentrate initial efforts on a few



business establishments in industries where the handicapped can readily prove their effectiveness and hence promote a climate of acceptance for others. Examples encountered by the project include successful hirings of substantial numbers of handicapped persons by banks, large department stores, hotels, motels, and restaurants.

In addition to individual private employers, other potential sources of jobs or job placement assistance are unions, trade associations, business organizations, and government agencies.

Convincing company presidents of the desirability of hiring the handicapped is not enough. Those who do the actual hiring in a large corporation also must be "sold." One personnel officer who became actively involved in Project Volunteer Power admitted that many of his colleagues are fearful that if a handicapped employee fails to perform adequately or is injured, the person responsible for the hiring will be accused of bad judgment. This tendency can be overcome by providing facts on the proved ability of handicapped persons to perform.

Many jobs that the handicapped can't do now might be made suitable for them through restructuring. Often, all that is required are simple (and inexpensive) job modifications or adoption of work-sharing programs. A volunteer committee can serve as advocate for the advancement of such efforts.

Emerging Jobs Offer Opportunities

The search for potential employment opportunities need not be confined to today's job market. With technology constantly creating new job opportunities, the committee can help identify areas of rapid growth where skill shortages will soon exist, encourage the training of handicapped persons for such work, and help them get placed.

Those interested in finding jobs for the handicapped should not overlook the Rehabilitation Act of 1973. This law requires Federal contractors to set up affirmative action programs for hiring and promoting handicapped workers. Through involvement of local businessmen, voluntary compliance can be encouraged. Volunteers also can inform employers and the handicapped about the act, its meaning, and the potential it offers to the handicapped of the community.

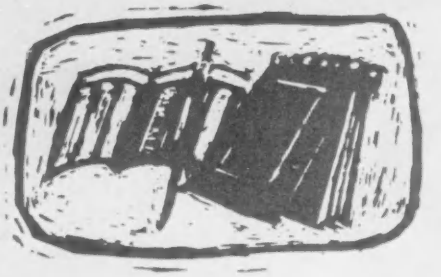
Volunteers can perform another valuable function by calling attention to any impediments that might limit access of handicapped persons to jobs. Often the most cooperative employer, one eager to hire handicapped persons, simply does not perceive barriers that to the handicapped are both obvious and insurmountable. These might include architectural barriers, inadequate toilet facilities, or other matters that are problems to the handicapped but are easily remedied.

A related issue is the need to make architects, builders, and engineers conscious of the problems confronting handicapped people and the need to design and build with their requirements in mind. A local architectural barrier committee can advocate that sensitivity training of this nature be included in appropriate courses in college and high school.

Alerting and sensitizing the public—as well as architects and builders—to the needs of the handicapped is a task especially suited to a volunteer organization. Radio, television, and the press are major instruments in achieving this end. The success stories of handicapped persons make for human interest. They are news and, if the media are made aware of them, the prospects of these stories being publicized are good.

This and the other lessons learned by Project Volunteer Power grew out of a variety of approaches and experiences in three diverse cities. But they are all rooted in the same firm belief that the desire to join forces to help others, as expressed through voluntary effort, is as alive and well as when Jacques Barzun cited it as one of the reasons for his love affair with America. □

News & Notes



More than 15,000 staff positions are being allocated to Unemployment Insurance (UI) offices across the country to speed service and reduce the long lines of jobless workers waiting to file their claims. These positions, representing a 50 percent increase in total UI staff, will be distributed among offices according to workload. Another 1,200 positions will be added to Employment Service (ES) offices. The new positions are funded by $249 million included in the Labor Department's fiscal year 1975 appropriation for this purpose. State ES agencies can begin hiring the additional staff members immediately, receiving Federal reimbursement by substantiating the workload rise from weekly records.

* * *

A 1-year, $769,799 contract to provide 8 weeks of on-the-job training for 762 mentally retarded persons has been signed by the Manpower Administration and the National Association for Retarded Citizens (NARC). Trainees will be persons certified as work-ready by State or local vocational rehabilitation or other qualified agencies. NARC is a nationwide, nonprofit voluntary organization for promoting the welfare of mentally retarded persons through research, treatment, services, and increased public awareness and understanding. Headquartered in Arlington, Tex., it has worked in manpower training with the Department of Labor since 1967, training and placing over 7,000 persons in jobs paying the Federal minimum wage or more.

* * *

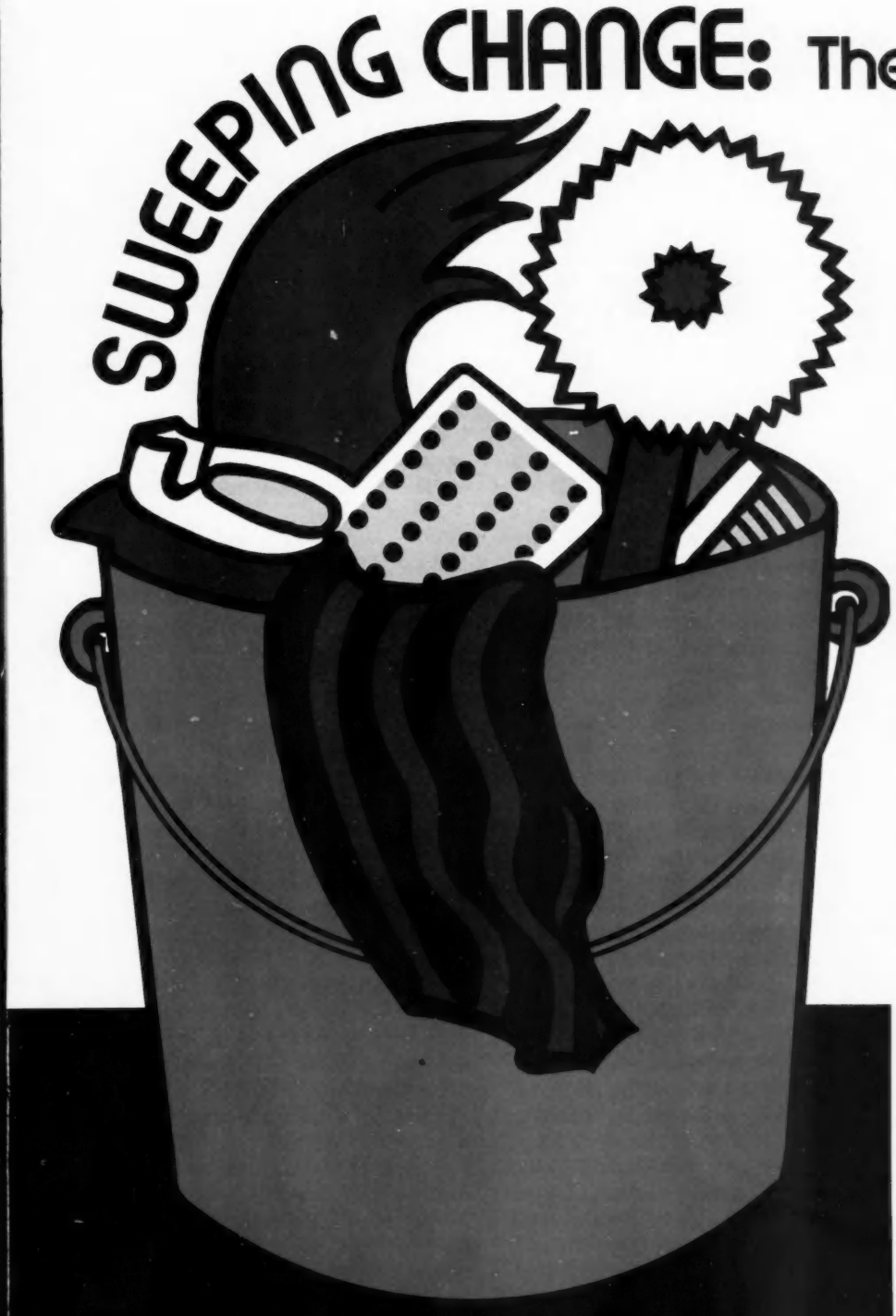
Union members will train some 255 youth from nine counties in the San Francisco Bay area for apprenticeship examinations in the construction trades. The Bay Area Construction Opportunity Program (BACOP) will recruit about 2,000 applicants from the counties of Alameda, Contra Costa, Marin, Mendecino, Napa, San Mateo, Santa Clara, Solano, and Sonoma to meet the goal of 255 placements. Under a $339,742 1-year contract with the Manpower Administration, BACOP will recruit, counsel, and tutor the youth—most of them from minority groups. BACOP also will attempt to place women in apprenticeable trades and such nontraditional positions as cabinetmaker, semitrailer driver, and lineworker. Ten weeks of intensive training will be provided to help applicants pass entrance examinations for apprenticeships in such occupations as carpentry, operating engineering, electrical and plumbing trades, and iron work.

* * *

About 1 out of every 10 private industry workers covered by the Occupational Safety and Health Act (OSHA) suffered job-related injuries or illnesses during 1973, according to a recent Bureau of Labor Statistics report. The report also shows that in 1973: About 5.9 million work-related injuries and illnesses occurred, resulting in a loss of about 28 million workdays; there were 5,100 work-related fatalities—down from 5,500 in 1972; the incidence of injuries and illnesses for all industries combined was about the same for both years; and all five industries selected for special emphasis by OSHA because of high injury rates—roofing and sheet metal, meat products, lumber and wool products, miscellaneous transportation equipment, and water transportation services —showed some decline in the incidence rate from 1972 to 1973.

* * *

Sixteen colleges and universities will receive grants totaling $3.4 million to educate migrant and seasonal farmworkers or their dependents under the High School Equivalency Program (HEP) and the College Assistance Migrant Program (CAMP). Both programs are funded under title III (Special Federal Responsibilities) of the Comprehensive Employment and Training Act (CETA). Participants in HEP live at colleges and universities while being helped to pass the General Educational Development (GED) test. CAMP operates with universities and colleges to provide tuition assistance, tutoring, and counseling for migrant and seasonal farmworkers and their dependents. To qualify, trainees must meet Federal income poverty guidelines—$3,870 or less for a family of four in a rural area.



The FLSA and Household Work

by Carol Morgan

Federal Minimum Wage Law Now Covers Household Workers

Few jobs are held in lower esteem than those occupied by household workers. Poverty, welfare, and private-household work often are intertwined. As a group, private-household workers, with limited education and training, are prime candidates for manpower services because of their great need for preparation and opportunities for better jobs. Their situation will not, of course, improve overnight, but they won a major victory last May when amendments to the Fair Labor Standards Act (FLSA) gave them coverage under Federal minimum-wage regulations.

To benefit from this coverage, however, household workers will need increased knowledge and, in some cases, power. Unfortunately, the nature of their occupation tends to isolate them from one another. Many do not know their rights under the law, or are afraid or reluctant to demand their rightful wages and social security coverage. If the act is to function as intended, household workers and those seeking to help them must be willing to take some of the responsibility for seeing that it does.

Before the FLSA amendments were enacted, the laws of nine States specified or implied minimum-wage coverage

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CHANGE

of private-household workers, with a pay range from $1.30 to $2 an hour. Four additional States excluded employees, including household workers, from this coverage unless their employers hired other workers—with the number of workers required ranging from four to six. Four States failed to issue wage orders affecting private-household workers, despite the fact that their legislation did not exempt these workers.

Most household workers now meet the requirements for coverage under the Federal minimum-wage law. The minimum wage applies if they receive at least $50 a calendar quarter from one employer, or if they work more than 8 hours a week for one or more employers. To be eligible for overtime pay, an employee must work a 40-hour week for one household.

Information to employers of private-household workers on minimum wage, overtime, and recordkeeping requirements of the FLSA are given in a Department of Labor flier which accompanied employers' yearly reporting forms for the Social Security Administration and the Internal Revenue Service.

Wages Are Boosted

If fully implemented in every household, the amendments would boost the daily and weekly wages of more than 1.5 million of the Nation's estimated 2 million private-household workers. These workers, averaging only $1.34 an hour in cash wages in May 1971, were due $1.90 an hour beginning last May 1 and $2 an hour beginning January 1 of this year. The increase to $1.90, based on typical wages for May 1971, constituted a whopping 42 percent on paper. Actually, the increase may amount to somewhat less because the value of such things as board, lodging, and other facilities can be credited toward meeting a minimum-wage requirement.

The effects of the minimum-wage increase are greatest in the South. Average cash wages of women household workers there were 93 cents an hour in 1971—24 percent below the national average—while the average wage of women working in banks, for example, was about $1.60 an hour. Today, women working in banks in the South have only a slight wage advantage over private-household workers. One result is that there is now a great need for day-care centers because babysitters, other than those employed on a casual basis, are now getting the minimum wage, and women who once depended on private-household workers for this service can no longer afford to do so and must rely on group arrangements.

The FLSA has the effect of increasing social security benefits for private-household workers. As wages increase under the FLSA, social security benefits increase.

In the past, some workers threatened to quit if employers reported their salaries to the Social Security Administration. Also, some employers were reluctant to make such reports. Hopefully, under the FLSA, there will be a greater tendency to comply with these regulations. A conscientious Wage and Hour compliance officer might express concern over whether an individual's earnings were reported to the Social Security Administration. In addition, the mere presence of the compliance officer in enforcing FLSA coverage could have a salutary effect on employers' reporting of social security coverage.

Social security coverage is important to the families of household workers as well as to the workers themselves. The U.S. Department of Labor's Women's Bureau cites the case of an employer who required that her new housekeeper get social security coverage. She did, and some time after that, left work to have a baby. When the woman later died in childbirth, the child was covered by social security. He now receives a small benefit, to be paid until he reaches 18, or until age 22 if he is a full-time student.

Extension of minimum-wage coverage to household workers may hasten the day when they—like most other wage earners—also are regularly protected by Federal injury compensation and unemployment insurance laws.

Since February 1973, a task force composed of representatives of a num-

ber of Federal agencies has been helping States measure up to various compensation standards, and has been researching the national program of workers' compensation. The task force has recommended that private-household workers covered by social security be covered by workers' compensation. Employers might effect this through homeowner- or tenant-insurance policies.

At present, only one State—Ohio—meets the standards recommended by the task force. New Jersey is close, and California is expected to measure up soon. Other States have some coverage of private-household workers under workers' compensation, but most States have a long way to go because State legislatures are reluctant to place this responsibility on the employers.

Few Get Unemployment Benefits

Federal law does not require that private-household workers be covered by unemployment insurance protection. These workers now get such protection only when States pass laws giving them coverage, although 1.7 million of them are eligible for special benefits under the Emergency Jobs and Unemployment Assistance Act (EJUAA). Only three States—New York, Arkansas, and Hawaii—and the District of Columbia have unemployment insurance laws with mandatory coverage of private-household workers. Coverage in these jurisdictions is limited, since the Hawaii law covers only those workers who are paid at least $225 by one employer in a calendar quarter; the District of Columbia and New York laws cover only those employers who pay $500 or more to household employees in a calendar quarter; and the Arkansas law covers any employer in a calendar quarter with three or more workers at any time or having a quarterly payroll of $500 or more.

In New York the average weekly unemployment benefit of workers is 50 percent of their average weekly wage. In Arkansas, it is 1/26th of their highest quarterly earnings (52 weeks as a base period) from private-household work; in Hawaii it is 1/25th; and the District of Columbia, 1/23d. As the salaries of private-household workers increase, so do their unemployment checks when they leave jobs involuntarily.

Many other efforts are being made to put private-household workers on firmer economic footing. One organization committed to this goal is the National Committee on Household Employment (NCHE). NCHE recently opened a southern regional office in Atlanta to organize and educate workers in the South. NCHE also sponsored an October conference in New Orleans, with workshops in Federal laws, leadership training, and health benefits. About 400 household workers attended. NCHE, a nonprofit and nongovernment organization, began as a result of a Labor Department Women's Bureau conference, and as an experimental project funded by the Manpower Administration. It now is funded by the Ford Foundation.

Workers Can Sue

Private-household workers themselves can take certain steps to rectify a violation of their rights under FLSA. For example, they can sue for back wages; for an additional sum, up to the amount of back pay, as liquidated damages; and for attorney's fees and court costs.

The right of private-household workers to picket was the subject of a recent court action. The California Court of Appeals concluded that a lower court was in error in holding that no such worker has a right to picket the private home of his or her employer, but cautioned that the issue must be faced on a case-by-case basis, and deliberately refrained from ruling that all private-household workers have the right to picket the private residences of all employers of such employees. The court held that "When one accepts employment . . . in a private home, he does not thereby become some kind of a second-class working person."

While household workers still occupy the bottom rungs of the occupational ladder, recent actions and activities on their behalf indicate a growing interest in pushing their occupation into the mainstream of the Nation's diversified job market. □

LOOKS AREN'T EVERYTHING- But They Sure Help

by B. Kimball Baker

Designer Percy Cooper stands among the graphics—many of them from MANPOWER—which went into the Stockton job information center.

In these times of widespread unemployment, anything that is being done to provide special help to the jobseeker deserves to be highlighted. Take, for instance, Percy Cooper's office design work for California's Employment Development Department (EDD), which has made the job search easier for thousands of seekers, and has influenced similar efforts in other States.

Cooper is creative and versatile. He came to EDD with a background in filmmaking, worked on a variety of tasks before his design assignment, and is a capable photographer. The design assignment was to help open up EDD offices, in order to make it easier for clients to find what they're looking for. The results of his efforts to date are on display at two locations: A model office in Sacramento, which deals with unemployment insurance claimants and jobseekers; and a job information center in Stockton, where job-ready applicants come to find work and the unskilled prepare themselves for careers. In the redesign process, Cooper has improved not only the appearance of these facilities but their efficiency as well.

"An attractive environment," says Cooper, "encourages both staff and clients to deal with one another in a productive, civilized way."

Cooper used big, dramatic visuals and a wide range of resource materials to help make the Stockton center a one-stop job supermarket for those looking for

B. Kimball Baker is assistant editor of MANPOWER.

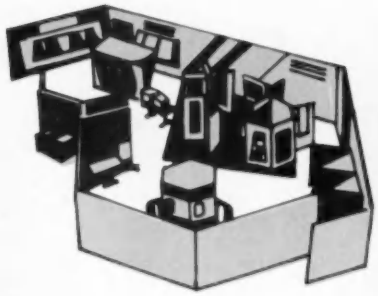
One example of Cooper's modular design at the center is this display explaining vocational education offerings.

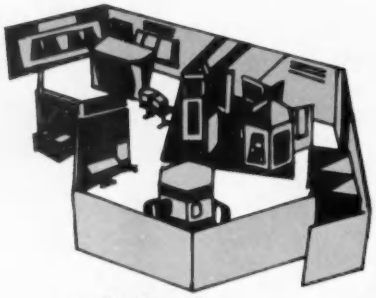
Display panels with job vacancy listings are among the aids to the center's clients.

Another example is this display of specific manpower programs.

The design of the office is so modular that a layout can be changed on very short notice; remodeling costs are a small fraction of those in a standard office.

Like the center, the Sacramento model office blends beauty and efficiency.





LOOKS

work. The center's design enables visitors to quickly find the services which will fit their own needs.

The visitor checks in at a conventional reception desk which is flanked by an array of giant display panels explaining the facility. From there, he or she can go to a "mini-theater," where a continuous 35-mm. slide presentation—accompanied by voice descriptions in English, Spanish, and a Filipino language called Tagalog—shows what the center has to offer.

Among the center's services are a closed-circuit television system presenting the latest job orders received by EDD, and display panels with other job vacancy listings—including classified ads from newspapers in eight major California cities, and local, Federal, and State civil service job announcements.

The center also has a self-help collection of resource materials called a "comprehensive labor market package." This was developed by EDD's Northern California Employment Data and Research Group. It includes some 500 binders with descriptions of specific occupations; job information classified by industry (such as copies of job orders which have recently been filled and which are thus good clues as to the kinds of workers businesses have been hiring); a continuously updated directory of employers; and regional and local maps to help guide job applicants to their interviews. There is even a file of inactive work applications so that persons who come back to the center after having worked for some time can simply update their old applications.

Designer Cooper is well aware of the limitations of pure esthetics. "You can't do it all with carpeting, pleasing color schemes, and paintings on the wall," he says. What you can do, he believes, is to integrate the esthetic with the functional.

At the Stockton center, for instance, Cooper's modular design allows for specialized displays. In one submodule, employers with special hiring needs describe exactly what they're looking for. In another, there are displays for particular manpower programs—those for older workers, or veterans, or welfare recipients. In a third, vocational education offerings are explained.

The Sacramento model office offers the same blend of beauty and efficiency. Among its striking design features are large modular wall panels with colored plexiglass windows, and ceiling-hung directional signs in modern type faces. The floor plan requires 30-percent less space than in conventional designs.

"It's all so modular that you can change a layout almost on a moment's notice," Cooper says, noting that remodeling costs about 50 cents per square foot, compared with $25 in a standard office.

The office employs about 40 people. It is arranged by function into zones, with a different upholstery design, lighting system, and color scheme for each. The zones are divided by panels, so that clients and staff members in one area aren't distracted by what goes on in other areas. To further minimize distractions, the office has installed carpeting, acoustical ceilings, and acoustical tuner panels on both fixed and movable walls.

Each zone in the office has its own corridor to the entrance, and management personnel are centrally located in a supervisory cluster. The office also has easily accessible electrical and telephone lines; fold-out desks; colored, wall-mounted phones; modern swivel chairs; and—like the Stockton job center—job order listings on modular hanging panels.

"I think a large part of our success at the model office," Cooper says, "is that clients look around and immediately conclude that we're a credible operation." Cooper notes that since operations began, there have been very few violent incidents—something almost unheard of for a facility the size of the model office, which handles about 350 clients every day.

Another sign of success, at both the Sacramento model office and the Stockton job center, is that managers of similar operations are coming from all over the country to look things over and to see what lessons they can take back with them. Massachusetts, for instance, is patterning a job information center on the Stockton unit, and Virginia is studying the possibility of similarly redesigning its employment service offices.

If imitation is the sincerest form of flattery, then Percy Cooper and those who have worked with him to open up EDD offices and thus facilitate jobseeking, are very flattered indeed. □

Highlights of the MANPOWER REPORT

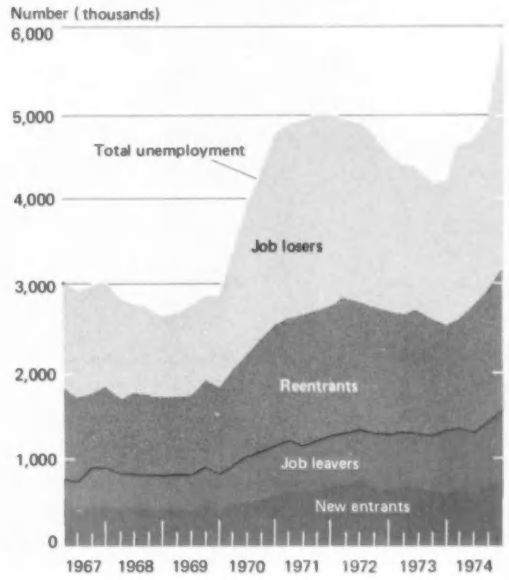
Major economic developments that became a focus of national attention in the last half of 1974, especially the rapid increases in unemployment among most labor force groups, are reviewed in the *1975 Manpower Report of the President*. In transmitting the report to Congress, the President stated that "policies addressed to the loss of income by many workers were the keystone of my proposals of October 1974. The Administration and the Congress agreed on several components of such a policy, which are now in operation."

The *1975 Manpower Report* includes chapters on: (1) The Employment and Unemployment Record; (2) Public Service Employment: Achievements and Open Issues; (3) The Changing Economic Role of Women; (4) CETA Implementation: A Progress Report; (5) Program Responses to Special Manpower Needs; and (6) Manpower Impact of Government Policy and Procurement. The volume also contains the Secretary of Labor's annual Report on Veterans Services and the Secretary of Health, Education, and Welfare's first annual report on facilities utilization and manpower program coordination under the Comprehensive Employment and Training Act (CETA) of 1973. There are four appendixes: (a) The text of a memorandum of agreement between the Departments of Labor and Health, Education, and Welfare on CETA implementation; (b) a report on the Department of Labor's activities in developing a labor market information system, as required by section 312(f) of CETA; (c) a report on the incidence of unemployment among offenders, as required by section 705(d) of CETA; and (d) an extensive Statistical Appendix. Highlights of the major sections follow:

CHART 1

THE NUMBER OF JOB LOSERS SURGED UPWARD TOWARD THE END OF 1974.

Unemployment by reason, 1967-74



Note: Quarterly data are seasonally adjusted.

Source: U.S. Department of Labor.

The Employment and Unemployment Record

A number of disappointing economic developments in the last half of 1974 contributed to rapid increases in the unemployment rate, which reached a nationwide average of 8.2 percent in January 1975. The cumulative impact of recession, inflation, and energy dependency was reflected in declines of 2.2 percent in real national output and 2½ percent in real disposable income, as the Consumer Price Index rose by 11.0 percent over 1973 levels. The slackening of the economy was equally apparent in the fourth quarter of 1974, when personal consumption expenditures, especially for automobiles and other durable goods, fell off sharply, while residential construction outlays dropped well below those of the preceding year.

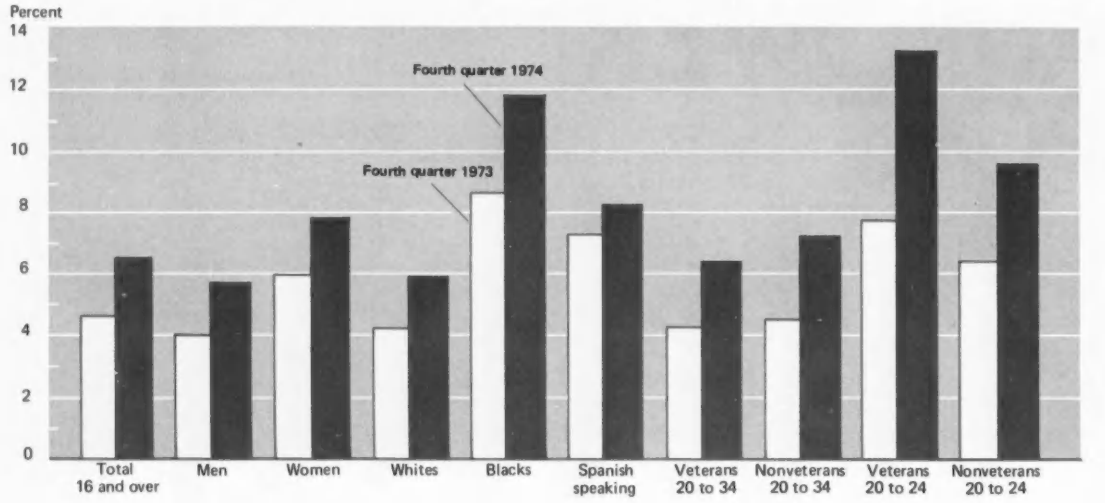
Moreover, business inventory investment—much of it "undesired"— reached $14.4 billion in the fourth quarter, up from $8.7 billion in the preceding 3 months. As surplus inventory continued to accumulate, many employers began to lay off workers, pushing the number of job losers to 3.2 million by December 1974, when they accounted for 49 percent of the unemployed (in contrast to 2.0 million and 44 percent, respectively, in February 1974). Indeed, by early 1975, more than half of all unemployment reflected job losses, rather than voluntary quits, or labor market entry and reentry.

The 7.5 million persons unemployed at the outset of 1975 (the largest total since 1940) included representatives of all major labor force groups, but blue-collar workers, adult women, teenagers, black workers, and veterans aged 20 to 24 were especially hard hit. Among operatives, for example, the unemployment rate nearly doubled from late 1973 to late 1974. Similarly, the rate for teenagers rose from 14.3 percent in the last quarter of 1973 to 17.5 percent in the fall months of 1974, while that for blacks approached 13 percent by December, remaining about twice as high as the rate for whites.

Between December 1973 and December 1974, the labor

CHART 2

UNEMPLOYMENT ROSE STEEPLY AMONG MANY LABOR FORCE GROUPS AT THE END OF 1974.



Note: Data are seasonally adjusted except for Spanish-speaking persons.
Source: U.S. Department of Labor.

force grew by about 1.8 million persons (or 2 percent). However, these aggregate figures really reflect substantial rises through September, followed by decreases in the remaining months of the year. At the end of 1974, nearly 92 million workers were in the civilian labor force. Since the overall labor force participation rate showed relatively little change between the final quarter of 1973 and the last quarter of 1974, most of the increases registered in 1974 must be attributed to population growth rather than to economic development.

In the course of the year, labor force participation among adult men continued downward, primarily because of earlier retirement. On the other hand, participation rates among women moved upward once more in spite of the decline in the number of job opportunities. Well over a million women were added to the labor force in 1974, most of them in the 20-to-34-year age group.

Public Service Employment: Achievements and Open Issues

Several policy instruments—among them public service employment, unemployment compensation, and fiscal stimulation—have been used to counter past cycles of rising unemployment and reduced output. The *1975 Manpower Report's* second chapter explores the actual and potential effectiveness of public service employment in mitigating individual hardships and in offsetting dislocations in areas experiencing substantial unemployment. Public service employment programs undertaken since the New Deal are assessed in terms of their impact on national unemployment rates, their role in providing tide-over income to experienced labor force members, and their effectiveness in providing work experience to the economically disadvantaged.

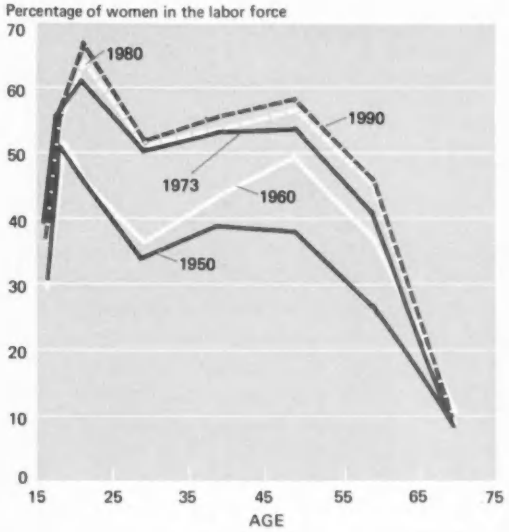
An important distinction can be established between the work-support programs of the Depression years, whose primary goal was to provide income to job losers, and the work-experience efforts of the 1960's, which attempted to improve the job skills and subsequent employability of those with labor market handicaps. However, the programs undertaken in the 1970's, including those authorized by the Emergency Employment Act of 1971 and the efforts now funded under the Comprehensive Employment and Training Act of 1973, have tended to combine both approaches. They provide earnings to jobless workers during periods of high unemployment, while offering preferential consideration in hiring to members of special target groups, including the disadvantaged, according to their representation among the unemployed.

A widely disputed issue concerning public service employment is that of budget substitution or "leakage," terms which describe the process through which State and local government units use Federal manpower funds to employ workers they would have hired in any event. The available evidence provides strong indications that such "leakage" tends to grow in importance over time; for maximum positive impact on joblessness, therefore, public employment programs should be geared to rapid startup and phasedown.

While it is doubtful that such programs, by themselves, can exert a significant impact on nationwide unemployment rates, their value in easing individual and local hardships is relatively well-established. Still, these positive effects themselves raise some unanswered questions concerning the basic equity of rationing a limited number of public jobs among the eligible unemployed, especially while unemploy-

CHART 3

WOMEN'S WORKLIFE PATTERNS ARE CHANGING RAPIDLY.



Source: U.S. Department of Labor.

ment compensation benefits are now available to a much greater proportion of the jobless.

The Changing Economic Role of Women

While recent demographic and social trends have tended to encourage more women to enter the labor force, some special problems still prevent them from successfully integrating work and home responsibilities.

The steep rise in women's labor force participation rates over the past quarter century is the product of a number of converging influences. Among the factors that affect a woman's decision to work are the marked reduction in childbearing expectations among younger women and the declining impact of marital status or the presence of children in the home. Rising levels of educational attainment and corresponding increases in the degree of "career commitment" among many women have also played an important role in boosting female labor force participation rates. This trend has been reinforced in recent years by expansion in the range of occupations now open to women and by legislative and policy changes that have begun to eliminate traditional forms of sex discrimination at the worksite.

In spite of these positive developments, however, a large wage differential still persists between male and female workers, and women remain concentrated in a limited number of relatively low-paying occupations. Moreover, with the steady increase of recent years in the number of families headed by women, the problems of poverty and economic insecurity among such families have assumed correspondingly significant dimensions. In households headed by men, the difficulties involved in scheduling home and work activities, as well as in arranging and paying for child care, continue to confine many women to part-time work or exclude them from the labor force altogether. And among many of those who do work full time, the demands associated with childbearing, childrearing, and the husband's job relocations have imposed a pattern of intermittent employment resulting in sacrificed seniority and lost promotion opportunities.

CETA Implementation: A Progress Report

The months since passage of the Comprehensive Employment and Training Act (CETA) in December 1973 have witnessed an intensive effort by the Department of Labor to decentralize program operations and help the new program agents (or "prime sponsors") develop a flexible delivery system capable of responding to the needs of both individuals and communities.

Through December 1974, plans totaling $1.4 billion had been approved for title I sponsors to develop training and employment programs suited to the needs of the clientele in their particular jurisdictions. An additional $696 million was granted under title II to create transitional employment opportunities in jobs that would provide needed public services in areas of substantial unemployment.

Although the responsibility for planning and administering much of the manpower effort has now shifted away from the National Government, the Federal role of assisting these efforts continues under CETA. For example, in addition to reviewing sponsor plans and providing technical assistance when requested, the Department of Labor is charged with the responsibility for evaluating the overall program and improving CETA delivery systems. Several evaluations are now examining the programs created by State and local governments under titles I and II of CETA, and efforts are underway to develop experimental models and approaches for serving special target groups, to provide a more comprehensive and uniform national labor market information system, and to conduct research and demonstration projects that may offer findings of value to local sponsors.

Besides offering technical support, the National Government will continue to administer several programs under CETA. Title III identifies a number of especially disadvantaged groups (Indians, older workers, offenders, and migrant and seasonal farmworkers) that are targets for such efforts. About $50 million is currently available for Indian programs in 1975 and about $63 million for programs serving migrant and seasonal farmworkers. The Job Corps, a program designed to serve disadvantaged young people aged 16 to 21,

is continuing as a federally administered program operated by the Department of Labor under title IV of CETA. In fiscal 1974, Job Corps served 45,649 new enrollees, providing them with both job training and basic education.

Another provision of CETA created the 17-member National Commission for Manpower Policy, which will advise the Congress, the President, the Secretary of Labor, and other Federal department or agency heads on national manpower issues. The chairman of the new commission is Professor Eli Ginzberg of Columbia University.

Program Responses to Special Manpower Needs

While CETA provides for decentralization of many program operations to the States and localities, the Federal Government continues to respond to particular manpower needs through several programs under other legislation.

The unemployment insurance (UI) system provided nearly $5.6 billion in benefits to more than 6.5 million unemployed workers in covered occupations during 1974, a sharp increase over the previous fiscal year. In addition, new legislation passed in the final weeks of 1974 allowed for up to 26 weeks of cash benefits to workers ineligible for regular unemployment insurance and up to 13 weeks of supplemental benefits to workers insured under regular State and Federal unemployment compensation programs, whenever the unemployment rate reaches a specified "trigger" level.

The Work Incentive (WIN) Program, which offers job placement and training services to recipients of Aid to Families with Dependent Children (AFDC), assisted over 530,000 individuals in fiscal year 1974. Approximately one-third (177,300) of them were placed in jobs.

Finally, the employment service (ES) sought to improve and expand its services to employers during the year by increasing the number of staff visits to worksites, by expanding communications with employers, and by accelerating procedures for taking job orders. There were 13.3 million applicants in fiscal year 1974, and over 3.3 million individuals, or 25 percent, were placed in jobs.

Manpower Impact of Government Policy and Procurement

The deepening concern of public authorities over the potential employment impact of their decisions is reflected in a number of federally sponsored research efforts assessing the manpower consequences of policy changes in such fields as energy development, pollution abatement, aerospace, and immigration. The chapter reviews an array of these explorations, all undertaken since 1972, focusing in greater detail on a Bureau of Labor Statistics (BLS) examination of the aggregate employment generated by projects in four major Federal program areas and on a National Planning Association (NPA) study of the occupational characteristics and training requirements of employment generated in five localities where firms had received major Federal contracts.

While the techniques developed by BLS and NPA are experimental, they have highlighted the major difficulties involved in devising reasonably reliable measures of direct and indirect employment generated by changes in Government procurement levels.

Report of the Secretary of Health, Education, and Welfare

A section entitled *Report on Facilities Utilization and Manpower Program Coordination Under CETA* constitutes the annual report to the Congress of the Secretary of Health, Education, and Welfare required by section 705(b) of the Comprehensive Employment and Training Act of 1973, as amended. The Department of Health, Education, and Welfare has taken steps to insure the effective utilization of its training facilities in fulfilling the aims of the new legislation, beginning with the establishment of an Office of Manpower within the Office of the Secretary. This office is charged with the responsibility for coordinating the Department's manpower activities and providing leadership in carrying out CETA-related functions. A memorandum of agreement between the Department of Health, Education, and Welfare and the Department of Labor is a further effort at developing an effective coordination strategy.

The second portion of the report reviews the preliminary record of actual utilization by program sponsors of community colleges, area vocational and technical schools, and other vocational institutions or rehabilitation agencies to provide facilities for CETA training programs. Some linkages have already been established by prime sponsors with various community health, education, and welfare programs to provide needed support services for CETA applicants. Nevertheless, the relationship between State and local prime sponsors and other government agencies is still in a formative stage and, in the view of the Department of Health, Education, and Welfare, more active interagency coordinated planning will develop, along with stronger manpower policy direction at the State level. In support of those efforts, the Department will continue to provide technical assistance to all sponsors who request it. □

Words & Figures

Employment Service Activities

Some 11.7 million persons looked to the Employment Service for help in finding new or better jobs during the first 6 months of fiscal year 1975. During the same time period, the Employment Service placed about 15 percent of all applicants in employment.

The 11.7 million registrants included 5.8 million persons who registered with the Employment Service during the 6-month period, 2.2 million who renewed previous registrations, and 3.7 million who had registered in the previous fiscal year and whose names were still listed in active files.

Many of these jobseekers had special employment difficulties. Some 3.6 million—almost a third of all applicants—were youth under 22 years old. Members of racial minority groups numbered 3.1 million (about 27 percent of the total), and the same number, 3.1 million, were economically disadvantaged. Vietnam-era veterans accounted for 1.3 million applicants, 11 percent of the total.

The Employment Service placed 1.8 million of the registrants in jobs during the first half of the fiscal year. Of these, 93 percent went to work in nonagricultural establishments.

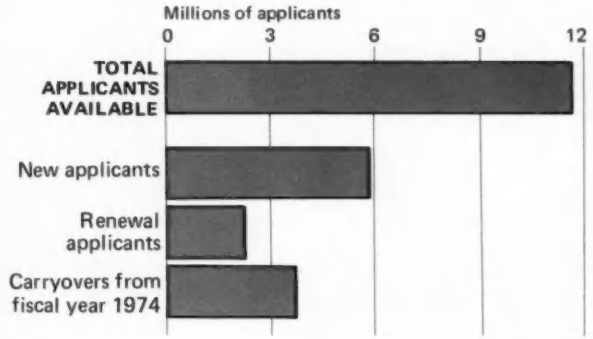
Among applicants with special needs, persons under 22 years old fared the best in their job searches. Slightly over 21 percent of the youthful applicants were placed in employment. Vietnam-era veterans did slightly better than average, with 17 percent being placed.

Comparisons with data for the first 6 months of fiscal year 1974 showed that the total number of Employment Service applicants dipped by 419,000. However, both the number of new applicants and the number of persons renewing their registrations were up. The total declined because the carryover in the active file from the preceding fiscal year was down.

The percentage of placements made in the two time periods was almost identical—16 percent in fiscal year 1974 and 15 percent in fiscal year 1975. The total number of individuals placed during the first half of fiscal year 1975, however, dropped by 140,000 from the year before.

Employment Service Applicants, First 6 Months of Fiscal Year 1975

Availability



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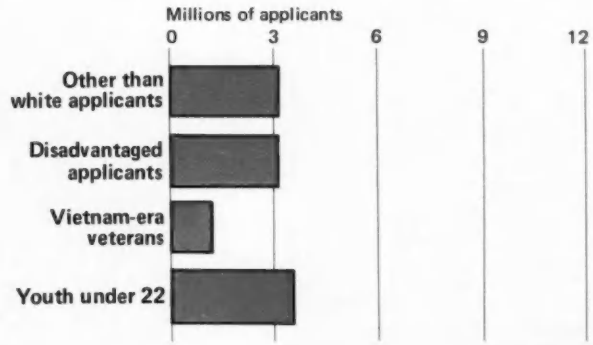
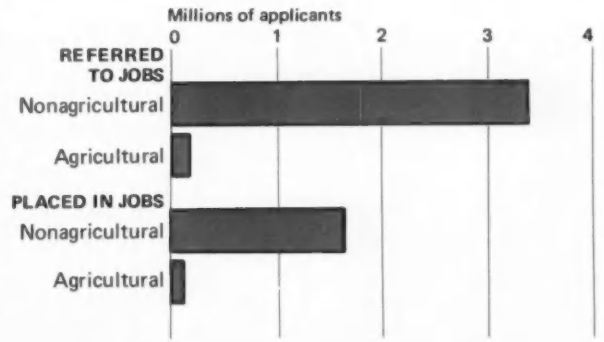


Job Action



Manpower Development in Israel

by Sharon Arkin

Job developers have a nose for jobs the way journalists have a nose for news, and, on my travels throughout Israel, it didn't take me long to discover that workers were needed everywhere—in factories, schools, hotels, and hospitals, and on construction sites. Workers were needed in metalworking and machine trades, electronics assembly, textiles, construction, nursing, social work, clinical psychology, data processing, communications, and engineering. Miryam Lerner, of the Israeli Employment Service, reported last July that out of 30,000 jobs listed with the service 7,000 were unfilled. The unemployment rate was less than 2 percent.

There are several reasons for this situation. Many of the available jobs are located in underdeveloped areas close to hostile borders, requiring a bit of pioneer zeal from potential applicants; and while the pioneering spirit is alive and well among kibbutzniks, soldiers, and idealistic young immigrants, the vast majority of Israelis, absorbed in the quest for higher and higher living standards, are unwilling to make the kinds of economic sacrifices that Israel's early settlers made.

Another salient fact in Israel's manpower situation is that Arab workers from administered territories now perform much of the lower level labor formerly performed by Jews; and Jews of oriental origin, once at the bottom of the job hierarchy, now predominate in lower level service occupations in hotels, restaurants, and retail trade.

About half of the working-age population (those 14 and over) is in the civilian labor force, compared with about 54 percent in 1955. The decline is due to an expansion of educational opportunties, which has caused a slight drop in labor force participation by youth, and to rising living standards, which have slightly reduced participation by elderly persons. Labor force participation is also affected by the needs of the military. Many men serve in the reserves until they are well past middle age, and are in and out of their civilian jobs; and in July 1974, a large number of older men, some of whom had never been called upon by the military, were assigned to reserve units for transportation and other noncombat duties in case of emergency.

The Israeli Employment Service, which is responsible for matching people and jobs, plays a key role in Israel's manpower development efforts. It monitors hiring practices and administers public-works programs and programs employing Arab workers from administered territories. In times of high unemployment, the service also acts as an employer of last resort. Listing of jobs with the service is mandatory, except for domestic and academic employment and for high-level administrative positions. Direct private recruitment may take place only after certain time limits and only if the service

Sharon Arkin is a job developer. On a trip to Israel last year, she surveyed the manpower development scene, chatting with professionals in the manpower field and with working men and women.

has not produced qualified applicants.

Israel has adopted four strategies for manpower development: To increase emphasis on vocational training; to recruit, train or retrain, and absorb immigrants; to increase female participation in the labor force; and to coordinate and regulate labor force participation by Arab workers from administered territories.

The skill level of Israel's work force has risen considerably since the country's establishment in 1948, and the supply of skilled labor is increasing 7 percent annually—more than double the rate of increase in the labor force as a whole. Much of the improvement is attributable to a rapidly expanding network of secondary and technical schools, vocational training facilities, and institutions of higher education.

In 1971, 41 percent of the labor force was highly educated or skilled, and 59 percent was unskilled. Of the skilled group, 7 percent had university degrees and 12 percent had high-level technical training. A slight imbalance is predicted for the next several years, with a shortage of academically trained teachers who are fluent in Hebrew and a small surplus of engineers and of natural and social scientists in certain categories. Engineers and scientists who are geared toward industrial applications rather than toward basic research are needed badly, as are experienced managers and supervisors.

Within the Israeli Government, major responsibility for meeting Israel's skilled labor needs rests with the Ministry of Labor's Department of Vocational Training. Israel Goralnik, the department's director, discussed its programs for youth, unskilled adults, the handicapped, and those in need of advanced technical and management training.

Youth training programs involve about 20,000 out-of-school teenagers annually. Within the school system, the compulsory schooling requirement has risen from 9 to 10 years, and there is a growing number of comprehensive academic/technical high schools, where a student can either qualify for university entry or become fully qualified in a technical field, or can do both.

About half of the out-of-school trainees are enrolled in 3-year apprenticeship programs—generally the years from ages 14 through 17—which involve 4 days per week of work at a plant and 1 day a week of job-related study. The Ministry of Labor supervises on-the-job training, while the educational component is handled by the Ministry of Education. The Government pays students a stipend the first year, with the employer paying a salary during the second and third years.

Industrial schools operated by large companies account for about 30 percent of the out-of-school trainees, and there are various short-term courses for youth too old for or unwilling to make a long-term commitment to apprenticeship or to industrial-school training. Often, these courses are designed to tie in with the needs of the military, to which many of these youth move after training.

As secondary education has expanded to include greater numbers of disadvantaged youth, the caliber of youth entering apprenticeship programs has declined. As a result, the apprentice schools have had to shift from theroetical studies to remedial and practical instruction. And since many of the students have social and family problems—including about 20 percent who have police records, for example—training in work habits and social behavior is as much a part of the programs as is skill training.

Job Training for Adults

The adult-education program reaches approximately 21,000 persons annually. About 6,000 are in full-time daytime courses of 6 to 8 months' duration. A student in any of these courses receives a daily stipend, with larger stipends going to students being trained in the most critically short occupations. The other 15,000 or so students in Israel's adult education program are in part-time evening courses, for which they pay a nominal fee. The program offers courses in metalworking, the hotel and restaurant trade, electricity and electronics, mechanics, the apparel trade, woodworking, hairdressing, medicine, and clerical subjects.

Vocational training and placement of the handicapped provide for about 3,000 clients annually, although that figure is expected to double in 1974-75 as a result of a new law obliging the Government to provide the handicapped with rehabilitation facilities and services. Recent figures

Israel

on the degree of success of the rehabilitation program show that about one-fifth of the participants were placed in jobs and held them for 10 months or more.

Handicapped individuals who have a job skill and can compete on the open market can apply for placement to the Israeli Employment Service, which keeps no special records of an applicant's handicapped status. Unskilled handicapped individuals can seek assistance from the Department of Vocational Training, which has five "diagnostic and observation" centers.

These centers, by means of work samples, aptitude testing, psychological testing, and simulated work activities, thoroughly evaluate clients and then place each client in a training program appropriate to his or her needs. Programs include group-training courses, Ministry of Labor sheltered workshops, and on-the-job training with cooperating employers. Participants in on-the-job training are paid a Government stipend, and the employers involved are under no obligation to hire them upon completion of their training—although many employers do. This program is the most successful rehabilitative effort. A large number of Israeli employers, faced with recurrent loss of employees through military callups, actually seek out military-exempt handicapped workers.

Israel's primary source of advanced technical and management training is the Government Technical Training Institute, which currently has 10,000 students. Its courses are aimed at: Secondary-school dropouts; demobilized soldiers who lack college prerequisites but who have an aptitude for advanced technical or professional work; and experienced workers who need specialized training in order to advance to supervisory positions.

Since Israel's founding, there have been about 1.5 million immigrants: 51 percent from Asia and Africa and 49 percent from Europe and the Americas. In 1973, there were approximately 55,000 immigrants, of whom about 30,000 were from the Soviet Union and about 5,000 were from the United States.

Many of the women in the Israeli army work as teachers. Here, one gives a young soldier a reading lesson.

Almost all of Israel's available jobs can be filled by immigrants. Often, the only requirements are language instruction and brief periods of vocational training or retraining, although some jobs, like teaching and social work, require a year or more of intensive language instruction and professional retraining. The Israeli Government, in cooperation with the Jewish Agency (World Zionist Organization), conducts aggressive recruitment of immigrants with managerial and scientific talents.

Immigrant recruitment is handled through a network of about 60 Aliyah (immigration) centers in 19 countries. These centers conduct information and education programs to attract potential immigrants and to counsel them on employment and investment opportunities. Low-cost, subsidized trial visits can be arranged to give persons seri-

An important part of immigrant training and retraining is language instruction as in this class in Upper Nazareth.

Two visually handicapped trainees at the IBM Research and Demonstration Center for the Blind in Jerusalem work with their instructor (center) to master electrical machinery.

ously considering immigration a first-hand look at Israel and a chance to meet with potential employers.

The past several years have seen a dramatic rise in the occupational and educational level of immigrants, as African/Asian immigration declined and American/European immigration increased. In 1970-72, more than 40 percent of Israel's immigrants were professional, scientific, or technical workers, compared with 12 percent in the 1950's. An additional 15 to 20 percent of the 1970-72 group claimed administrative, executive, managerial, or clerical experience.

Israel's Ministry of Labor provides retraining for 1,200 to 1,500 immigrants annually. The chief problem wth this effort is that many of the immigrants whom it seeks to help bring with them unrealistic notions about Israel. Some believe it to be a country of supermen, others view it as somehow primitive and in need of "saving" by them. Both attitudes lead to disappointment and frustration, particularly if those who hold them are experienced professionals who have invested a great deal of time and energy in their careers, and who have given up positions of prestige and responsibility.

There are many other services for immigrants. The Israeli Government and the Jewish Agency provide job placement assistance; loans and grants for immigrants' scientific research projects, performing arts endeavors, and crafts workshops; subsidies to businesses or institutions to create temporary jobs for immigrants; and subsidies to immigrants who wish to open small

businesses. The Ministry of Immigrant Absorption works closely with other Government ministries to provide living allowances, temporary housing, and other services easing immigrants' transition to Israeli life. Immigrants also receive preferential treatment in obtaining housing, a 3-year tax break on highly taxed items like appliances and automobiles, and other special privileges designed to attract newcomers.

The special privileges for immigrants are envied by many other Israelis, particularly young people for whom establishing a family and home is financially very difficult. Many enterprising young men eagerly seek out well-to-do immigrant young women as wives as a means of acquiring financial benefits and comforts otherwise unavailable to them. This aggravates the social problems of native-born Israeli young women, many of whom suffer from the unequal sex distribution caused by the recent war deaths of large numbers of young men.

Last year, Israel's civilian labor force was 69 percent male and 31 percent female; comparable figures for the general population are 47 and 53 percent. Although female labor force participation is growing at a faster rate than male participation, the "feminine mystique" is still very much alive. This came as a surprise to me, brought up as I was on tales of Israeli women pioneers and soldiers, and, of course, of political leader Golda Meir. As it turns out, women pretty much put aside their plows back in the 1940's, women soldiers are mostly clerks, and Golda Meir is atypical!

Women's leaders have several major grievances. Many of them complain that a double-wage standard, although outlawed, still exists, with women commonly receiving lower pay than men for the same or equivalent work. Knesset (legislature) member Marsha Freedman, a 35-year-old former Brooklynite who immigrated with her husband and daughter about 5 years ago, believes that women are grossly underrepresented and underutilized in every significant sector of Israeli life. She cites, for example, the fact that in the Knesset there are only 14 women out of a hundred members.

Women Hold Traditional Jobs

Among Freedman's other points: Only 3 percent of local elected officials are women; the average working woman earns about half as much as the average working man; women hold only 9 percent of higher level government jobs, although government employment is 36 percent female; and women in both the civilian labor force and the military are largely schooled and employed in traditionally female occupaions rather than, say, technical work and other fields with higher earnings potential. (Only 10 percent of the graduates of the Technion, Israel's leading technical university, are women.)

Zorar Karti, chief of the Women's Employment Section in the Ministry of Labor, told me that effective utilization of female workers is a high priority goal of the Israeli Government. She pointed out that 25 percent of the trainees in Israel's adult-education program are women, and that while training for women is still concentrated in areas such as sewing, hairdressing, and clerical work, there are now growing numbers of courses and trainees in metal turning, aircraft construction, drafting, electronics, busdriving, and other occupations not traditionally practiced by women. The government helps women to find work in such occupations, builds and publicizes day-care centers for the children of working mothers, and encourages women to pursue higher education.

Freedman and Karti agree that working women still face enormous social and economic obstacles despite improvement in their situation. The school system's half-day schedule makes it difficult for mothers to hold full-time jobs. Textbooks reflect the prevailing attitude that women's primary roles are as wife and mother. The cost of employing a household worker is more than half of an average working mother's pay. While the double-wage standard is illegal, some employers practice such subterfuges as a light-duty versus standard-duty pay scale, lesser payments to women on the grounds that they are secondary wage earners in their fami-

A growing number of Israeli women are in trades not traditionally practiced by them—metalworking, for instance.

lies, and "protective" laws that exclude women from certain types of work. And while there are government efforts to enforce the laws against the double-wage standard, these efforts involve women with grievances taking their employers to court and thus risking their jobs.

The problems of Israel's working women must, of course, be measured against the progress they have made. For instance, although only 10 percent of the students at the Government Technical Training Institute are women, just half a dozen years ago the school had no women students at all—a fact of particular significance since many of the Institute's female graduates are now managers in industry and thus are lessening the disruption of industrial operations which occurs when male managers are called up by the military. There are signs of more sharing of parental responsibilities, such as increased attendance by fathers at parent-teacher meetings and other school functions. But most women's leaders agree that there must be more of such sharing, and that there must be greater efforts to develop more career options for women.

Labor Exchanges Help Arabs

Immediately after the 1967 War, Israel was faced with a potentially chaotic labor situation in administered territories, where unemployment was widespread and no employment security system existed. Since then, Israeli policy has been to foster a regulated movement of labor between the administered areas and Israel proper, to further vocational advancement for the Arabs who come from these areas, and to prevent their exploitation by Israeli industry in this time of labor shortages.

To implement this policy, the Israeli Employment Service conducts a system of local labor exchanges in administered territories. Employer requests for Arab labor are transmitted from local service offices to these exchanges, which register Arab jobseekers. Wages and fringe benefits for Arab workers are paid through the exchanges to the Service, which issues the paychecks and administers benefit funds. The exchanges also provide placement services and intervene for workers in such matters as injury, unfair employment practices, and foul-ups in payment. As of last July, about 40,000 Arabs were employed through this system.

The Ministry of Labor has established a network of about 30 vocational-training centers in administered territories. These centers are staffed almost entirely by local Arab teachers and administrators, and are a modernizing force in the lives of the communities they serve. Courses are from 3 to 12 months long. About 2,600 students are graduated annually, many of whom, through the local labor exchanges, go to work for competitive wages for the first time. Teams of inspectors, made up mostly of Arabs who were formerly civil servants, oversee the operations of the centers and the welfare of their students and graduates.

Students receive a daily stipend, which varies in amount according to the economic priority and complexity of the occupation studied. They also receive food allotments in proportion to the size of their families.

I toured the center at Beit Jallah, in the Judean hills about 10 miles from Jerusalem. Situated in the middle of an ancient olive grove, this center teaches, among other skills, decorative carving of olivewood for the tourist trade. Pieces are shaped roughly by lathes, then given finishing touches by hand tools.

During the tour, the center director, a former dental student, called my attention to a prominent piece of equipment in the carving shop—an ultramodern, fully equipped dentist's drill! It seems that it is just the thing for etching intricate olivewood designs.

Other skills taught at Beit Jallah are metal lathing, electrical work, drafting, typing, and bookkeeping. Placement of graduates is taken very seriously, and a young woman who studied at the school follows up on graduates. Several times a week, there are prevocational programs for young children, in which they receive lunch money and a nominal stipend and are given training in reading and math, and orientation to the courses offered at the center. There are also intensive workshops for center instructors.

Further Action Needed

By the time I left Israel, I had formed several conclusions: That the country badly needs workers of all kinds but has recruitment and training programs that are effectively meeting its manpower requirements; that although it has taken major steps toward better utilization of its workers, much more needs to be done, particularly in regard to women workers; and that it must halt the trend toward a job-caste system vis-à-vis Arabs and Jews or vis-à-vis different groups of Jews, and must rekindle the labor-glorifying ethic of its founding settlers. Without an increase in productivity and a decrease in luxury consumption, I think that Israel—with scant natural resources and a huge military budget—will have a tough time remaining economically viable. But there is plenty of room for hope in a country where people who in one instant are cussing about their arid little land are, an instant later, turning on you for joining in the chorus. □

All the employees LSW has hired were classified as "disadvantaged"—and all are now part of a thriving business operation.

LSW Lets Opportunity KNOCK

Six years ago, LSW Industries, of Clyde, N.Y.—about 50 miles east of Rochester—was little more than an idea in the minds of the four townspeople whose initials went into its name. Frank Luerssen, the manager of a food processing plant, and his wife Betty, gave it the "L"; Ivory Simmons, a black clergyman, the "S"; and Philip World, a business associate of Mr. Luerssen, the "W."

Today, the company has sales of about $1.5 million. Among its corporate clients are Eastman Kodak, Mobil Oil, and Seneca Foods. In its 16,000-square-foot production area, busy crews turn out its major product: pallets. (The pallet, a portable wooden platform used for storing or transporting a wide variety of materials, helps prevent damage to these materials and facilitates moving them with forklift trucks or other pieces of heavy machinery.) LSW President Frank Luerssen talks of expansion into the manufacture of wood products in the arts-and-crafts field.

"Fine," you say, "but just change a few details, and you've got any one of thousands of other companies."

True enough; but LSW has one feature that distinguishes it from all but a handful of similar firms. Every full-time employee it has hired is classified as "disadvantaged"—

LSW turns out more than 1,800 new and renovated wooden pallets each day. Here, workers feed boards into a pallet assembly machine.

This worker loads pallets for delivery to nearby Rochester.

These workers are repairing a damaged pallet.

Betty and Frank Luerssen, two of the founders of LSW, check over some of the many records necessary to keep their busy operation going.

LSW

that is, as either poor, from a minority group, handicapped, a migrant worker, a parolee, poorly educated, or a combination of these.

The idea for LSW evolved out of a church discussion group about the problems of the poor and of racial minorities. The Luerssens and Rev. Simmons, all members of the group, agreed that discussion was good, but action was better. So they decided to start a business that would concentrate on employing those for whom opportunity doesn't knock very often.

Translating a goal into reality is rarely easy, and it certainly was not easy for LSW. Luerssen quit his job, and he and his wife mortgaged their house to raise cash to help establish the company. In the beginning, it took three days to turn out what now can be produced in less than an hour; startup orders were filled with help from friends, neighbors, VISTA volunteers, and even the Luerssens' three children. Clients pitched in too—Kodak, for instance, lent LSW two accountants to help with bookkeeping and business projections.

"We were naive about what it would take to keep this business going," Luerssen says. "To meet production quotas, we spent many 14-hour days hammering pallets together."

LSW now has 60 employees, and they are helping to show not only that hiring the disadvantaged can provide opportunity where there was little of it before, but that it can be very good business. In 1973, the company's after-tax profits were $66,000, and its profit-sharing plan made this especially good news to its employees.

Fifteen of LSW's employees are black, and three are Puerto Rican. Eight are handicapped, either physically or mentally. Only a few have gone beyond the early grades of high school. Almost all had been unable to find or maintain good jobs because of educational deficiencies and poor work backgrounds. Yet today every LSW employee is part of a thriving business operation.

"I don't especially like the word 'disadvantaged' in describing our people," says Lewis Ellis, personnel director. "Those who come to us have the ability to work effectively, but just lack exposure to solid work experience."

The company's employees have several valuable fringe benefits. In addition to the profit-sharing plan, these include several free services: Health insurance; a complete physical—which many of the employees had never had; a $3,000 life insurance policy; and work uniforms. LSW also provides a payroll savings plan, a credit union, assistance in obtaining better housing, production incentives, and even a procedure for soliciting and considering employee views on company operations.

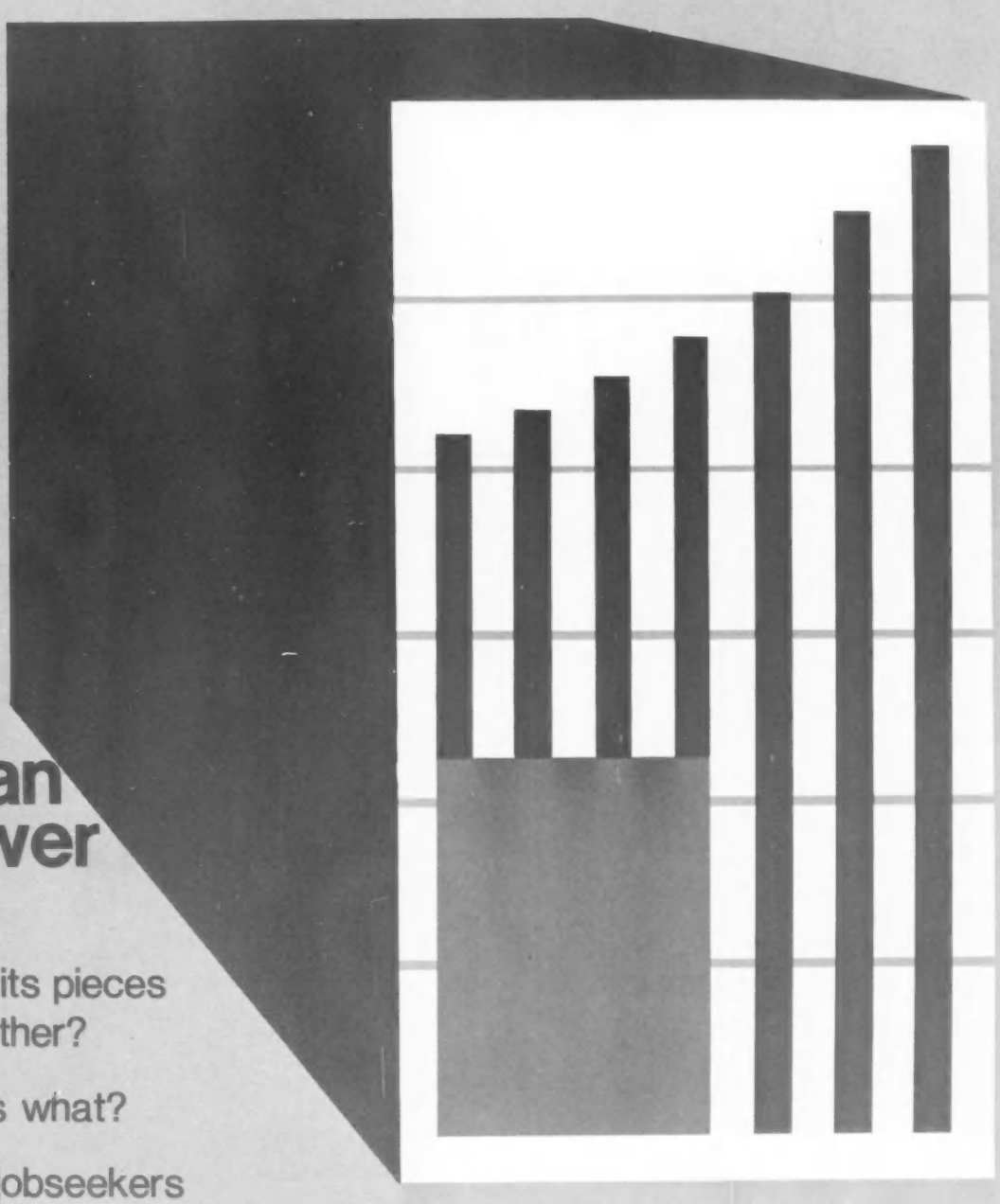
Ellis, who came to LSW with experience in hiring and training people considered unemployable, is able to counsel employees effectively—a practice which is helping the company to overcome occasional problems with high rates of absenteeism and employee turnover, and which contributes to the solution of many employee problems. These may range from obtaining a ride to and from work in the transportation-starved rural area where LSW is located to getting a new pair of shoes.

"I call the financial advice I give 'consumer education,' " Ellis says. "I try to teach employees to say 'No' to salespeople who specialize in door-to-door oversell or to anyone else who tries to sell them things they don't need or can't afford."

LSW employees, having been given a chance to lead more useful lives, are now contributing generously to the life of their community. In 1973, for example, they had one of the highest participation rates in a countywide drive.

The employees' sizable contributions in this drive came after the showing of a movie which explained how the charity group helped the retarded. A worker who had suffered severe brain damage in an accident, and who spoke in halting phrases, rose to speak.

"I want to contribute as much as I can," he said, "because I want other people to have the same chance to work that LSW has given me." □



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On a trip to Israel last year, job developer Sharon Arkin surveyed its manpower development scene, chatting with professionals in the manpower field and with working men and women; and she shares her impressions with MANPOWER's readers in the report on page 24 of this issue.